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January 21, 2003

Hon. Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

RE: *Complaint by Aeneas Internet and Telephone*
Docket No. 02-01274

Dear Chairman Kyle:

Enclosed please find an original and thirteen copies of BellSouth's response to the Staff's letter of December 5, 2002. The Staff's letter requested that BellSouth respond to a letter sent to the Staff by Mr. Jonathan V. Harlan, of Aeneas Communications, LLC ("Aeneas"). BellSouth very much appreciates the extension of time allowed by the Authority to file this response. Because of the inclement weather late last week, BellSouth was unable to file this response on Friday, January 17. The numbered items below correspond to the numbered items in Aeneas' letter.

Item 1: BellSouth has no record of any trouble reported by Aeneas on 731-424-5124. Aeneas did report a problem (no dial tone) on 731-423-1209, another line for Vantresse Pharmacy, on October 25, 2002 at 9:18 a.m. BellSouth dispatched a technician to the end-user's location, but the technician found no problem with the service, and the trouble ticket was closed at 1:25 pm. BellSouth did not bill Aeneas for the dispatch. Since no problem was found with the service, it is only reasonable to conclude that the problem probably was associated with the end-user's telephone equipment, as opposed to any service provided by BellSouth, and activity by the end user may have corrected the problem. In any event, Mr. Joe Vantresse authorized switching this service from Aeneas to BellSouth on October 29, 2002. Mr. Vantresse did not provide BellSouth with a reason for switching his service.

Item 2: Our investigation into trouble ticket TL016348 indicates that Aeneas reported that a BellSouth customer in Memphis was unable to complete a call to an Aeneas customer on November 12, 2002. BellSouth traced this problem to a missing Local Number Portability trigger in the Jackson tandem switch, not a blocking condition as claimed by Aeneas. This situation was corrected within approximately six and a half hours after BellSouth received the trouble report. Aeneas also reported that long distance calls originating outside of Tennessee to some of its customers were also being blocked, and this problem is consistent with the missing LNP trigger in the Jackson Tandem. However, in BellSouth's experience, most carriers perform an LNP query on the originating end of the call. Therefore, this missing trigger would only have affected calls handled by those carriers who chose not to perform an originating LNP query. BellSouth is also willing to investigate the "many trouble tickets on this issue" if Mr. Harlan would provide those trouble ticket numbers.

Item 3: Mr. Harlan has not provided sufficient information to investigate this item. To pursue this matter, Mr. Harlan needs to provide the name of the BellSouth Authorized Sales Agent (ASR) and CPE vendor that was involved in this situation. BellSouth also needs the specific account name and telephone number of the Dyer County agency mentioned by Mr. Harlan.

Item 4: The customer mentioned in this Item, Camden Chiropractic Clinic, elected to participate in the BellSouth Simple Solutions Program. Aeneas alleges that

1. "Under Bellsouth's own guidelines this service may only be sold out of specific wire centers";
2. "According to BellSouth GSST tariff the only West Tennessee qualifying wire centers are in Shelby County and its contiguous counties";
3. "BellSouth is in violation of its own methods and procedures"; and
4. this customer "was further induced by BellSouth's promise of \$0.01 per minute long distance".

To support these allegations, Aeneas references Attachment B, which includes the following documents:

1. Copy of the election agreement for the BellSouth Simple Solutions Program;
2. Copy of a sales proposal made to the Camden Chiropractic Clinic; and
3. an untitled list of various exchanges and rate groups.

The BellSouth Simple Solutions Program is accurately described in BellSouth's Tariffs, Sections A13.90.16 and B7.11.9, and copies of these Sections are attached for ease of reference. As stated in the Tariffs, this Program is available to "new BellSouth business customers subscribing to local exchange service." Nothing in the Tariffs limits the availability of this Program to any specific wire centers, BellSouth has no "guidelines" or "methods and procedures" that would restrict this Program to specific wire centers. With regard to the allegation that this customer was offered long distance service, BellSouth has no record of making any offer to this customer for long distance service. Further, Aeneas has not provided anything in its Attachment B that supports any of its erroneous allegations. The third item in Attachment B appears to be a list of various exchanges in Rate Groups 4 and 5, and lists of this type are generally used to determine customer eligibility for programs with that restriction. However, there is no indication that this list is associated with the Simple Solutions Program or in any way restricts this Program.

Item 5: BellSouth has determined that this customer, Barbell's of Jackson, was offered and sold a three-year contract under the 2002 Key Business Customer Program as described in BellSouth's Tariff Section A13.90.12. However, this Tennessee customer is not located in either Rate Group 4 or 5 and is, therefore, ineligible to participate in this Program. BellSouth has contacted the customer to inform them of this situation and has terminated the customer's participation in this Program. Since BellSouth offered this Program to this customer in error, termination liability charges described in the tariff for this Program will not apply.

Item 6: BellSouth established the service ordered by Aeneas for account 731-228-0161 on November 1, 2002. Aeneas reported a problem with this line (no dial tone) on November 7, 2002 at 8:44 am, six days after service was installed. BellSouth isolated and repaired the problem in its central office and contacted the end user to verify the service was working. This trouble ticket was closed on November 7, 2002 at 9:44 am, one hour after Aeneas reported the problem. Aeneas opened a second trouble ticket on this account later that same day at 12:48 pm, reporting no dial tone and that the circuit was ringing at the wrong address. BellSouth also received a trouble report at 11:11 am on November 7, 2002 from its customer, Baker Glass Shop, 731-658-4510, indicating that the line was crossed with 731-228-0161. However, BellSouth dispatched a technician

to the service address, and the technician found no problem with the service. The trouble ticket was closed, and BellSouth did not bill Aeneas for the dispatch. According to our records, the Customer with account 731-228-0161, Ed Hamer, remains an Aeneas customer.

Item 7: According to BellSouth's records, Aeneas first reported no dial tone on 731-424-1201 on November 22, 2002 at 10:00 am. BellSouth tested the line while the Aeneas representative was on the phone, and BellSouth's test indicated that speech was present on the line, meaning that the line was working properly. Aeneas accepted this report, and the trouble ticket was closed. Aeneas opened a second trouble ticket on the same day at 10:08 am, reporting the Remote Access to Call Forwarding (RACF) was not working. An investigation revealed that BellSouth was unable to provide this service because the Local Service Request (LSR) issued by Aeneas did not contain the required Personal Identification Number (PIN) that provides the customer with secure access to this feature. Aeneas subsequently provided Purchase Order Number FUZZYS1125 with the required information, and the RACF service was provided on December 3, 2002.

BellSouth's records also indicate that Aeneas reported a problem (no dial tone) on 731-424-1205, another line for this same end user, on November 22, 2002 at 10:01 am. BellSouth dispatched a technician to the service address and was unable to detect any problem with the service. The trouble ticket was closed, and BellSouth did not bill Aeneas for the dispatch. Finally, BellSouth's records indicate that this end user remains an Aeneas customer.

Item 8: BellSouth is responsible for the problems experienced by Aeneas customer Brandi Fesmire (731-988-5953). Another customer had contacted BellSouth requesting that their service on 731-988-5933 be switched from their service provider to BellSouth. A BellSouth service representative mistakenly typed Ms. Fesmire's number on the service order instead of the correct telephone number. BellSouth discovered the mistake shortly after Ms. Fesmire's service was disconnected on November 27, 2002 at 2:51 pm and reconnected Ms. Fesmire's service at 6:37 pm that same day. BellSouth certainly regrets the error and apologizes for the inconvenience to Aeneas and Ms. Fesmire. However, BellSouth disputes the Aeneas allegation that the service remains disconnected.

Closing Paragraphs

BellSouth also must respond to the statements made in the closing paragraphs of Aeneas' letter. First, Mr. Harlan states that Aeneas "contacted the TRA in March, 2002, regarding problems with BellSouth's Winback program(s)." BellSouth is not in a position to provide a detailed response to this statement because Aeneas failed to serve or otherwise provide BellSouth with a copy of its letter of April 3, 2002. BellSouth can say as a general matter that there is nothing improper about winback programs. Aeneas quotes correctly from the April 17 letter the TRA sent in response to the April 3, 2002 letter from Aeneas (See Attachment D to Aeneas letter). Speaking for the Authority, Mr. David Waddell's letter stated:

"As tariffed, the Business Solutions Program is not designed exclusively to attract former customers. Instead, the program is available to both new and existing customers. Since the program is available to all customers meeting the specified criteria, it is not intended strictly as a 'winback' offering." This statement is consistent with Mr. Harlan's assertion that the TRA "indicated it sees no problem with Bellsouth continuing to sell customer "Winback" promotions."

Next, Mr. Harlan references copies of the 2002 Key Business Program (Tariff Section A13.90.12). This Program is also tariffed in Section B7.11.6. Mr. Harlan misquotes his own attachment by stating that "this service may only be sold out of rate centers 4 and 5". The tariffs for this Program contain no such statement; rather, they clearly state that this Program is available to new and existing BellSouth Business customers in Rate Groups 4 and 5.

Further, BellSouth takes issue with Mr. Harlan's statement that the "Simple Business Solutions" product is "curiously hidden" under the Private Line Tariff. The "BellSouth Simple Solutions Program" was properly filed as a tariff with the Tennessee Regulatory Authority and appears in Tariff Sections A13.90.16 and B7.11.9 (not B7.11.11 as indicated by Mr. Harlan). BellSouth filed this Program in both the General Subscriber Services ("A") Tariff and the Private Line Services ("B") Tariff since the Program applies to business services also contained in both tariffs. BellSouth strongly objects to Mr. Harlan's implication that BellSouth has "hidden" this Program in any way.

Mr. Harlan acknowledges that the BellSouth Simple Solutions Program is not restricted by rate centers, but alleges that BellSouth's "published 'methods and procedures' do state that this product line may only be sold out of rate centers 4 and 5". This is most confusing. First, BellSouth does not "publish" its internal methods and procedures. Secondly, BellSouth does not understand the reference to "rate centers 4 and 5"; BellSouth assumes Mr. Harlan intended to refer to Rate Groups 4 and 5, but again, there are no such restrictions with regard to the BellSouth Simple Solutions Program. Finally, Mr. Harlan provides absolutely no documentation to substantiate these claims.

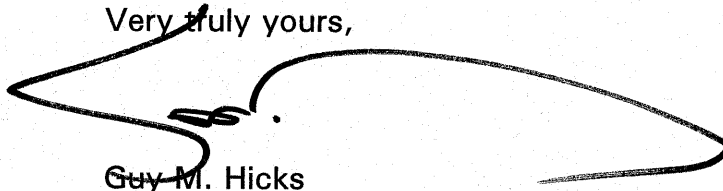
With regard to Mr. Harlan's "negative perspective" about BellSouth's promotions, volume and term agreements, and Customer (Contract?) Service Arrangements, BellSouth would simply comment that these items are specifically developed for BellSouth's retail customer market, and BellSouth complies with all applicable TRA Orders that concern resale of these tariffed offerings by CLECs. BellSouth is not aware of a single instance where Mr. Harlan's company has asked to resell a BellSouth Contract Service Arrangement ("CSA"). BellSouth is not aware of any "monthly billing caps" for CSAs and believe Mr. Harlan is simply mistaken. Limits on billing do apply to some of the programs tariffed in A13.90 and B7.11. Further, all pricing arrangements and other agreements with CLECs are included in interconnection agreements between the CLEC and BellSouth, and each of these agreements is filed with and reviewed by the Tennessee Regulatory Authority.

Finally, BellSouth also takes exception to Mr. Harlan's allegation of 'vigorous price quoting and pre-selling by BellSouth of its planned long distance service'. BellSouth has been very diligent in its efforts to avoid premature sales with regard to long distance service and has duly reported and addressed every instance as BellSouth has become aware of them. In fact, the FCC took notice of BellSouth's reports in its Order approving the BellSouth's application for In-Region InterLATA services in Florida and Tennessee, released December 19, 2002. BellSouth will investigate any instances of premature sales, should Mr. Harlan provide specific facts or documentation. Otherwise, BellSouth objects to these and other ill-defined allegations made by Mr. Harlan without any documentation or evidence.

Hon. Sara Kyle, Chairman
January 21, 2003
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A copy of this letter will be provided to Mr. Harlan. BellSouth respectfully requests that a copy of Aeneas' letter to the Authority dated April 3, 2002 be provided to BellSouth.

Very truly yours,

A handwritten signature in black ink, consisting of a large, sweeping loop that starts under the word "yours", goes up and over to the left, then loops back down and to the right, ending under the name "Guy M. Hicks".

Guy M. Hicks

cc: Mr. Jonathon V. Harlan

BELLSOUTH
TELECOMMUNICATIONS, INC.
TENNESSEE
ISSUED: June 28, 2002
BY: President - Tennessee
Nashville, Tennessee

EFFECTIVE: July 29, 2002

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.90 Business Programs

A13.90.16 BellSouth® Simple Solutions Program

A. Rules and Regulations

Beginning July 29, 2002, continuing until July 28, 2003, qualifying customers may enroll in this Program and receive rewards on their bill. (N)

1. This promotion is available to new BellSouth business customers subscribing to local exchange service. (N)
2. In order to qualify for the BellSouth® Simple Solutions Program, BellSouth business customers must have monthly BellSouth total billed revenue (TBR) for Subscriber's location between \$75 and \$3,000 (excluding hunting, analog private line, ISDN PRI revenue and additional services listed below in the program restrictions). The total billed revenue (TBR) consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: non-regulated charges, taxes, late payments charges, charges billed pursuant to federal or state access service tariffs, charges collected on behalf of municipalities (including, but not limited to surcharges for 911 service and dual party relay services), and charges for services provided by other companies. (N)
3. Qualifying participants must sign a 24 or 36-month contract to receive the program. (N)
4. The eligible products are located in the Tennessee General Subscriber Services Tariff and Private Line Services Tariff. (N)
5. To participate in this Program, qualifying customers must sign a 24 or 36-month contract between July 29 and July 28, 2003. Following this period, no subscribers may enroll in this Program. This Program is available for resale for the duration of this enrollment period. Following the expiration of this enrollment period, no new customers may enroll in the Program, but any contract established under this Program between BellSouth and its customers would continue to be available for resale for the remaining term of the existing contract. Aside from these resale situations, a customer may not assign its rights under any contract signed pursuant to this Program to another customer or to any other third party. (N)
6. Should a participating customer terminate a contract signed under this Program without cause, the customer must pay BellSouth a termination liability as specified in BellSouth's Tariff Sections A2.4.10.E. and B2.4.9.A.4. In addition to the reimbursement of the reward, tariffed termination liability charges for individual services will be applied, if applicable. A bill will be given to the customer associated with the original termination charges that will appear on the subscriber's final bill as a charge in the OC&C section. (Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.) (N)
6. Subscribers who participate in the promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges and charge for change in service charges, if applicable, associated with the service order. This will include the Line Connection Charge (first and additional lines and line equivalents) and the Charge for Change in Service, if applicable. (N)
7. Should Subscriber's monthly TBR fall below \$75, the Subscriber will not receive the reward until the Subscriber's monthly TBR meet this minimum TBR amount of \$75. (N)
8. Should Subscriber's TBR exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for a monthly TBR up to \$3,000. (N)
9. Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion. (N)

BELLSOUTH
TELECOMMUNICATIONS, INC.
TENNESSEE
ISSUED: June 28, 2002
BY: President - Tennessee
Nashville, Tennessee

GENERAL SUBSCRIBER SERVICES TARIFF

Original Page 94.6

EFFECTIVE: July 29, 2002

A13. MISCELLANEOUS SERVICE ARRANGEMENTS**A13.90 Business Programs****A13.90.16 BellSouth® Simple Solutions Program****B. Reward Schedule**

Participant must be a BellSouth customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles.

Monthly TBR	24 Month	36 Month
\$75 - \$3000	10%	25%
Hunting Reward	50%	100%

1. Subscribers who are participating in the BellSouth® Simple Solutions program are not eligible to participate in any of the following term plans or programs: Complete Choice® for Business term plan, Business Discount Program, Competitive Response Program, Key Business Discount Program, 2001 Key Business Discount Program, 2002 Key Customer Program, Basic Service Advantage Program, and Business Solutions Plus Program.

2. Subscribers participating in a Product Level or Volume and Term CSA are not eligible to participate in this promotion.

3. The charge for the following services will not included in qualifying monthly TBR under this program or be entitled to rewards for the related revenues.

- Analog Private Line
- Primary Rate ISDN
- RegionServ Service, business trunk, w/o discount combination
- RegionServ Service, business trunk, w/o discount outward only
- Business, Local Optional Service, all options inward only trunk
- Business trunk, combination flat rate, local optional service
- Joint user flat rate service, business (Cost Split between Joint Users)
- Outward WATS service, statewide
- Area Calling Service business, both way, premium
- PBX Service, inward flat rate trunk
- LightGate 1 Basic System with First ½ mile per System, IntraLATA

4. BellSouth reserves the right to terminate this program at any time; provided, however, that subscribers participating in the program will be grandfathered for the term of their agreement.

BELLSOUTH
TELECOMMUNICATIONS, INC.
TENNESSEE
ISSUED: June 28, 2002
BY: President - Tennessee
Nashville, Tennessee

PRIVATE LINE SERVICES TARIFF

Original Page 66

EFFECTIVE: July 29, 2002

B7. DIGITAL NETWORK SERVICE**B7.11 Business Programs (Cont'd)****B7.11.9 BellSouth® Simple Solution Program****A. Rules and Regulations**

Beginning July 29, 2002, continuing until July 28, 2003, qualifying customers may enroll in this Program and receive rewards on their bill. (N)

1. This promotion is available to new BellSouth business customers subscribing to local exchange service. (N)
2. In order to qualify for the BellSouth® Simple Solutions Program, BellSouth business customers must have monthly BellSouth total billed revenue (TBR) for Subscriber's location between \$75 and \$3,000 (excluding hunting, analog private line, ISDN PRI revenue and additional services listed below in the program restrictions). The total billed revenue (TBR) consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: non-regulated charges, taxes, late payments charges, charges billed pursuant to federal or state access service tariffs, charges collected on behalf of municipalities (including, but not limited to surcharges for 911 service and dual party relay services), and charges for services provided by other companies. (N)
3. Qualifying participants must sign a 24 or 36-month contract to receive the program. (N)
4. The eligible products are located in the Tennessee General Subscriber Services Tariff and Private Line Services Tariff. (N)
5. To participate in this Program, qualifying customers must sign a 24 or 36-month contract between July 29 and July 28, 2003. Following this period, no subscribers may enroll in this Program. This Program is available for resale for the duration of this enrollment period. Following the expiration of this enrollment period, no new customers may enroll in the Program, but any contract established under this Program between BellSouth and its customers would continue to be available for resale for the remaining term of the existing contract. Aside from these resale situations, a customer may not assign its rights under any contract signed pursuant to this Program to another customer or to any other third party. (N)
6. Should a participating customer terminate a contract signed under this Program without cause, the customer must pay BellSouth a termination liability as specified in BellSouth's Tariff Sections A2.4.10.E. and B2.4.9.A.4. In addition to the reimbursement of the reward, tariffed termination liability charges for individual services will be applied, if applicable. A bill will be given to the customer associated with the original termination charges that will appear on the subscriber's final bill as a charge in the OC&C section. (Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.) (N)
6. Subscribers who participate in the promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges and charge for change in service charges, if applicable, associated with the service order. This will include the Line Connection Charge (first and additional lines and line equivalents) and the Charge for Change in Service, if applicable. (N)
7. Should Subscriber's monthly TBR fall below \$75, the Subscriber will not receive the reward until the Subscriber's monthly TBR meet this minimum TBR amount of \$75. (N)
8. Should Subscriber's TBR exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for a monthly TBR up to \$3,000. (N)
9. Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion. (N)

BELLSOUTH
TELECOMMUNICATIONS, INC.
TENNESSEE
ISSUED: June 28, 2002
BY: President - Tennessee
Nashville, Tennessee

PRIVATE LINE SERVICES TARIFF

EFFECTIVE: July 29, 2002

B7. DIGITAL NETWORK SERVICE**B7.11 Business Programs (Cont'd)****B7.11.9 BellSouth® Simple Solution Program****B. Reward Schedule**

Participant must be a BellSouth customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles.

Monthly TBR	24 Month	36 Month
\$75 - \$3000	10%	25%
Hunting Reward	50%	100%

1. Subscribers who are participating in the BellSouth® Simple Solutions program are not eligible to participate in any of the following term plans or programs: Complete Choice® for Business term plan, Business Discount Program, Competitive Response Program, Key Business Discount Program, 2001 Key Business Discount Program, 2002 Key Customer Program, Basic Service Advantage Program, and Business Solutions Plus Program.

2. Subscribers participating in a Product Level or Volume and Term CSA are not eligible to participate in this promotion.

3. The charge for the following services will not included in qualifying monthly TBR under this program or be entitled to rewards for the related revenues.

- Analog Private Line
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- RegionServ Service, business trunk, w/o discount combination
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- LightGate 1 Basic System with First ½ mile per System, IntraLATA

4. BellSouth reserves the right to terminate this program at any time; provided, however, that subscribers participating in the program will be grandfathered for the term of their agreement.

(N)

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